

Michigan District Office

**Annual Report
FY 2006**



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How to Contact Us & Our Partners

SBA - Michigan District <http://www.sba.gov/mi>
 Detroit (313) 226-6075
(see page 15 for staff extension numbers)

Biz Resource Centers (616) 331-7480

Michigan Small Business and Technology Dev. Centers
 <http://www.misbtdc.org>
 Alpena (989) 358-7375
 Detroit (313) 967-9295
 Escanaba (906) 786-9634
 Flint (810) 767-9933
 Grand Rapids (616) 331-7370
 Harrison (989) 386-6630
 Kalamazoo (269) 337-7350
 Lansing (517) 483-1921
 Mt. Clemens (586) 469-5118
 Saginaw (989) 686-9597
 Traverse City (231) 922-3780
 Ypsilanti (734) 547-9170

Micro lenders

Ann Arbor (734) 677-1400
 Benton Harbor (269) 925-6100
 Kalamazoo (269) 342-5655
 Marquette (906) 228-5571
 Traverse City (231) 941-5858

Procurement Technical Assistance Centers of Michigan
 <http://www.michigantac.org>
 Lansing (517) 241-2471

SCORE “Counselors to America’s Small Business”
 <http://www.scoremichigan.com>
 Ann Arbor (734) 665-4433
 Cadillac (231) 775-9776
 Detroit (313) 226-7947
 Grand Rapids (616) 771-0305
 Holland (616) 392-2389
 Kalamazoo (269) 381-5382
 Muskegon (231) 722-3751
 Petoskey (231) 347-4150
 Traverse City (231) 947-5075

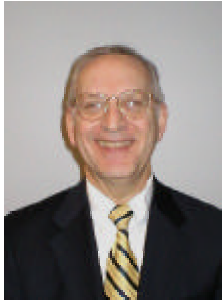
U.S. Export Assistance Centers

..... <http://www.exportmichigan.com>
 Detroit (313) 226-3650
 Grand Rapids (616) 458-3564
 Pontiac (248) 975-9600
 Ypsilanti (734) 487-0259

Women Business Centers

..... <http://www.onlinewbc.gov>
 Benton Harbor (269) 925-6100
 Detroit (313) 877-9060
 Grand Rapids (616) 458-3404

Message from the Director



Dear Small Business Supporter,

As many of Michigan's business and political leaders have said, and as the chart on page 16 helps to illustrate, small businesses are becoming increasingly vital contributors to the economy of Michigan as the state accelerates its move to a "new" economy that

is less dependent on durable goods manufacturing. Efforts to grow and diversify our economy must include a strong and vibrant small business sector. I am very pleased to report that last year SBA set new all-time records in delivering its programs to help Michigan's small businesses meet this challenge.

In Fiscal Year 2006, the Michigan District Office guaranteed 3,702 loans worth over \$548 million. I am especially pleased that we increased 7(a) lending by 17% and 504 lending by 28% compared to last year, setting Michigan records in both programs for the fifth year in a row! Our increases of 517 loans in the 7(a) program and 52 loans in the 504 program ranked 2nd and 6th respectively in the country. SBA's achievements in accomplishing all of these records can be directly attributed to the outstanding lending partners listed on page 11.

In February, more than 600 business people attended the Super Bowl Diversity Business Forum held at the beautiful Max M. Fisher Music Center in downtown Detroit. This Super Bowl XL event was the only one designed for the small business community. Cosponsored and hosted by SBA, the National Football League, and the Detroit Urban League, it was also supported by a dozen other local organizations. This highly successful event featured a lively panel discussion among nationally recognized corporate and business leaders, including SBA Administrator Hector Barreto.

The second annual Michigan Celebrates Small Business Awards banquet was held on April 19, in Lansing, with Governor Jennifer Granholm as the keynote speaker. The SBA continued its partnership with the Michigan Small Business & Technology Development Center, Michigan Economic Development Corporation, and the Small Business Association of Michigan, as well as the Edward Lowe Foundation, to recognize and celebrate Michigan's entrepreneurs and supporters of small business. This highly acclaimed event was well received by a packed house of over 600 people.

In addition to these two special events, we also worked with a number of other partners in an effort to bring SBA's programs to as many people as possible. This included the Black Business Conference with Chase; Detroit Regional Chamber's Small Business Conference; SBA Lenders' Conference; Hispanic Business Expo; and the Women's Economic Development Outreach Conferences.

In August, we brought our outreach efforts to the Upper Peninsula by conducting programs on government contracting for the Native American communities in Escanaba, L'Anse, and Sault Saint Marie. Statewide, over 25,000 people benefited from the counseling, training, and specialized services provided by our resource partners, and we provided over 2,000 small businesses with assistance in both federal government contract and export opportunities.

In closing, I want to thank all of our outstanding resource partners for the best year in our history. We would not have achieved this success without the Michigan Small Business and Technology Development Center, SCORE "Counselors to America's Small Business," the Women Business Centers, and all of our lending partners. I greatly appreciate their continued support and assistance.

I want to especially thank the excellent SBA staff in the Michigan District Office for their hard work, dedication, and commitment to the thousands of small businesses that drive our Michigan economy. With their continued help and that of our many partners, I have every confidence that we will deliver even higher levels of assistance in 2007 as we work to help overcome the obstacles the Michigan economy is facing.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard Temkin". The signature is fluid and cursive, with a large initial "R" and a stylized "T".

Richard Temkin
District Director

Recognition & Awards

Michigan Celebrates Small Business

The Michigan District Office was proud to participate in the second annual Michigan Celebrates Small Business Awards banquet on April 19, 2006 in Lansing. Over 600 business and government leaders attended this unique collaboration between the Michigan Economic Development Corporation, the Michigan Small Business and Technology Development Center, the Small Business Association of Michigan, the Edward Lowe Foundation, and the SBA. Michigan Celebrates is the premier event in Michigan recognizing the impact of small business and its critical importance to the state's economy, which is clearly demonstrated by the chart on page 16.

As the keynote presenter, Governor Jennifer Granholm emphasized small businesses' vital role in building Michigan's economy and honored 59 small businesses receiving SBA and other awards. These included the "Michigan 50 Companies to Watch" awards presented by the Edward Lowe Foundation to recognize the diverse second-stage companies which are generating new, sustainable jobs in the state.

The following SBA award winners were honored:

Small Business Person of the Year

Keith R. Malmstadt
Great Lake Woods, Inc., Holland

Michigan and Midwest Regional Minority Small Business Champion

Dante O. Villarreal
Michigan Small Business and Technology
Development Center, Grand Rapids

Michigan Financial Services Champion

Eric B. Seifert
Community Shores Bank, Muskegon

Michigan Women in Business Champion

Joan M. Schroeder
National City Bank, Milford

Michigan Small Business Journalist

Sheena M. Harrison
Crain's Detroit Business, Detroit

Michigan Business Counselor of the Year

Pat Salo
Michigan Small Business and Technology
Development Center, Troy

SBA's Small Business Week 2006

Small Business Week is a time to celebrate the contribution small business owners make to America's economy and overall quality of life. Firms with fewer than 500 employees employ 51% of the private nonfarm work force, produce 51% of private sector output, and represent more than 99% of all employers.

SBA's Small Business Week 2006 ceremonies were held in Washington, DC, April 12-13. Highlights included the National Small Business Person of the Year award and a tribute to small businesses recovering from natural disasters. President George W. Bush addressed attendees at the Phoenix Awards Breakfast. More than 100 outstanding small business owners from around the country were honored.

Minority Small Business Award

During National Minority Enterprise Development Week, August 29 through September 1, SBA recognized the contributions that minority entrepreneurs make to the nation's economy. This year's recipient of the Michigan Minority Small Business of the Year award was Arnaldo Rodriguez of Technical Professionals Services, Inc., of Detroit.

Lender Awards

One of the highlights of our annual Michigan Lenders' Conference are the awards we present to lenders to recognize outstanding performance in the SBA loan guaranty program in Michigan during the prior fiscal year. These awards were presented last March to the top SBA lenders of FY 2005, another record-setting year for SBA lending in Michigan.

Michigan Lender of the Year

Charter One Bank

PLP Lender of the Year

Republic Bank

504 Lender of the Year

Fifth Third Bank

Business Development Lender of the Year

Northwestern Bank

Community Lender of the Year

Franklin Bank

SBAExpress Lender of the Year

Charter One Bank

New Markets Lender of the Year

Chase

Government Contracting

The U.S. Government is the world's largest purchaser of goods and services. To help small businesses receive a fair share of contracts, SBA negotiates goals annually with each federal agency. Currently, the overall small business goal is 23%. This includes goals of 5% to women-owned businesses, 5% to small disadvantaged businesses, 3% to service-disabled veteran-owned businesses, and 3% to HUBZone small businesses.

Under the Small Business Act, federal agencies announce a variety of procurements that are reserved exclusively for small business participation. These "small business set-asides" include the 8(a), HUBZone, and Service-Disabled Veterans programs.

To better inform small business people about contracting opportunities, we participated in four Business Opportunity Forums with the State of Michigan and other resource partners in which we met on a one-on-one basis with over 1,900 people. These forums provide information about potential purchasing opportunities and changes in state and local purchasing policies for small and disadvantaged businesses.

Central Contractor Registration

The Central Contractor Registration (CCR) is the primary vendor database for the Federal Government. Vendors are required to register in CCR in order to be awarded contracts by the government. By completing a one-time registration and renewing it annually, vendors increase their opportunities to be considered for government contracts. CCR also facilitates paperless payments through electronic funds transfer, and shares data with government procurement and electronic business systems. Visit CCR at www.ccr.gov.

Companies that are seeking federal contracts should search, monitor, and retrieve opportunities at the FedBizOpps Web site at www.fbo.gov.

8(a) Program

The 8(a) program is a business development program for small businesses that are owned, managed, and controlled by individuals who are socially and economically disadvantaged, and have the capacity and capability to sell products or services to the federal government.

As of September 30, there were 130 Michigan firms in the 8(a) program. The breakdown of the portfolio by race/ethnicity is as follows: African American - 62 firms; Asian Indian - 23 firms; Hispanic - 17 firms; Native American - 12 firms; Asian - 8 firms; and other - 8 firms. There are 12 firms in the professional services industry, 28 in construction, 9 manufacturers, 74 service, and 7 wholesale/retail.

Small Disadvantaged Business Certification

Since 1998, Small Disadvantaged Businesses (SDB)

need to be certified to receive certain procurement preferences in doing business with the federal government and prime contractors. The SDB preferences apply to many federal procurements in select industries in which SDBs are underutilized. There are 156 SDB certified firms in Michigan.

HUBZones

Historically Underutilized Business Zones provide contracting preferences to small businesses that are located in a HUBZone and hire employees who live in a HUBZone. These businesses have the opportunity to negotiate sole source contracts, participate in restricted competition with other HUBZone firms, and are allowed a 10% price evaluation preference in full and open competition. There are 331 HUBZone certified businesses in Michigan.

Procurement Program for Small Business Concerns Owned and Controlled by Service-Disabled Veterans

The Service-Disabled Veteran-Owned Small Business (SDVOSB) program is designed to increase federal contracting opportunities to disabled veterans. There are 206 SDVOSBs in Michigan.

Orientation

Information on the 8(a), HUBZones, and SDB programs is provided by SBA at a 9:00 a.m. orientation session on the first Wednesday of each month at the McNamara Federal Building in Detroit. Please call (313) 226-6075 x253 for more information.

Other Programs

Other contracting programs also provide valuable services to small businesses, including verification of a small business's competency to complete a job when it has lost its bid to a larger company; subcontracting assistance; and breakout procurement assistance. For more information, please call Pamela Thompson, Government Contracting Specialist, at (586) 574-5513.

Michigan Technical Assistance Centers (PTACs)

PTACs are a state-run program to help small business owners locate procurement opportunities. With 13 locations statewide, PTACs use skilled professionals to assist businesses in acquiring state and federal government contracts. Although not an SBA sponsored resource, many PTACs are co-located with such SBA resource partners as SBTDCs. To locate a PTAC near you, please call (517) 241-2471 or visit their Web page at www.michigantac.com.

Minority Enterprise Development's Jacquelyn "Jackie" Hart passed away in November 2006. She was a valued member of our office for many years and we will miss her dedication to SBA and the businesses she served.

Counseling & Training

SBA and its partners provide a broad range of counseling and training through partnerships with many organizations across Michigan. Beginning in 1964 with SCORE, SBA resources now include the Michigan Small Business and Technology Development Center (SBTDC), Women Business Centers, and Export Assistance Centers. In FY 2006, over 42,000 clients utilized these resources, which are available throughout Michigan.

Contact information for the following resource partners is listed on page 2.

RESOURCE PARTNERS

Michigan Small Business and Technology Development Centers

Under the leadership of our state host, Grand Valley State University, the SBTDC had another outstanding year as its counseling and training programs continued to serve the wide-ranging needs of Michigan's small business owners. In FY 2006, the SBTDC network provided 35,230 hours of one-on-one counseling to over 5,600 businesses. The SBTDC also provided 653 training events for 8,677 attendees.

With the continuing decline in the value of Michigan's manufactured goods, the SBTDC has put increased emphasis on its assistance to the small technology-based companies that will play an important role in the future economic growth of the state. For example, four technology consultants assisted 216 innovators and helped with the submission of 49 Small Business Innovation Research (SBIR) proposals. With their help, thirteen companies received an SBIR award in FY 2006.

The Michigan Celebrates Small Business awards ceremony has provided the SBTDC with many opportunities to work with key sponsors, including the Edward Lowe Foundation. The SBTDC works hand-in-hand with this nationally recognized Michigan-based entrepreneurship foundation to identify fast-growth companies that can - and will - play a key role in Michigan's economic growth.

Special congratulations go to SBTDC's Pat Salo and Dante Villarreal. Region 7 Business Consultant Dante O. Villarreal was named 2006 Michigan and Midwest Regional Minority Small Business Champion. And Pat Salo, Associate Regional Director for Region 9, was named 2006 Michigan Small Business Counselor of the Year. Both are responsible for delivering consulting services to SBTDC clients as well as supporting the efforts of the regional SBTDC office.

Biz Resource Centers

The SBTDC has established 31 Biz Resource Centers (BRCs) across the state, seven of which are in partnership with the Michigan Economic Development Corporation's Michigan Main Street program. They offer the latest in high-tech hardware and business software, as well as a wealth of print material to assist current and prospective business owners in writing business plans, conducting market research, and much more.

SCORE

With nine chapters and more than 40 locations, SCORE provides services across the State. Small business owners gain the benefit of the SCORE counselors' years of business experience through both counseling and training programs.

In FY 2006, SCORE counselors helped 6,000 clients across the state. While the counseling was equal in number to 2005, the percent of in-business clients continued to increase significantly. Over the past three years, the number of clients who were in business has increased each year, rising from 13% in 2004, to 22% in 2005 and reaching an all time high of 29% in 2006. This reflects SCORE's increased focus on reaching out to America's existing small business owners to help them succeed and prosper. The remaining 71% are those would-be entrepreneurs who utilize the services of SCORE to explore whether they want to - or should be - in business. By comparison, on a national basis 25% of SCORE's clients were in business.

Some of the highlights of SCORE chapter activity for FY 2006 are listed below:

The Grand Rapids SCORE chapter was recognized as the 2005 Michigan District Chapter of the Year. The chapter successfully launched a new SCORE Grand Rapids Web site at www.scoregr.org and recorded 4,090 hits by the end of September 2006. It also significantly exceeded its FY 2006 goals for total counseling cases. The chapter expanded its Chamber Outreach Program to include an additional eight local chambers that now includes the Ionia area.

The Traverse City SCORE chapter provided counseling services to over 400 clients in FY 2006. This resulted in more than 800 counseling sessions for new and established business owners. Due to this double digit growth, the chapter has started to offer services to other communities in the Grand Traverse area.

The Ann Arbor SCORE chapter averaged 107 clients per active counselor and 210 clients per online counselor. The chapter continues to expand its outreach to the small business community.

Counseling & Training

The Detroit SCORE chapter continues to operate a very large satellite office system to bring counseling close to the location of their clients.

The Muskegon SCORE chapter's client services grew from 606 in FY 2005 to 950 in FY 2006. The chapter's counseling locations grew from three to five with the addition of the Fremont and Newaygo Chambers. Its volunteer service hours also expanded from 1,007 in FY 2005 to 2,142 hours in FY 2006.

The Holland Chapter recorded double digit gains in client service in FY 2006.

U.S. Export Assistance Centers

This "one-stop" source for small business export information and assistance is a partnership of SBA, U.S. Department of Commerce, and the Export-Import Bank. These centers provide counseling, training, market research, and trade finance assistance. During FY 2006, Michigan's four USEACs counseled almost 1,000 clients that helped to support approximately \$50 million in export sales. Seventy-six loans worth more than \$18.8 million supported nearly \$35 million in export sales.

Women Business Centers

While the Center for Empowerment and Economic Development (CEED) completed its cycle of funding from the SBA's Office of Women's Business Ownership, it remains an active resource partner of the Michigan District Office. CEED was selected by the City of Detroit to administer its new Microloan program. The Detroit Entrepreneurship Institute, Inc. was again selected for funding as an SBA Women's Business Center and is serving women in the metropolitan Detroit area. Grand Rapids Opportunities for Women (GROW) and the Cornerstone Alliance Women's Business Center trained and counseled a record number of women, and helped to create jobs and grow revenues for women in their markets.

The District Office, in partnership with the National Association of Women Business Owners (NAWBO) and the Michigan Women's Business Council, successfully conducted a pilot program called Business Essentials, a 27 hour, six month boot camp for women business owners with sales of \$1 million or more. A second round of classes will begin in the winter of 2007.

In August, the 2nd Annual Oakland County Business Women's Conference was held in Rochester. Over 200 women attended the event to hear keynote speaker Jean Chatzky, editor-at-large for *Money Magazine*, as well as a frequent contributor to NBC's *Today Show* and the *Oprah Winfrey Show*. L. Brooks Patterson, Oakland County Executive, gave the opening remarks.

SPECIAL PROGRAMS

These are some of the many special programs SBA conducted during FY 2006:

SBA's 8th Annual Lenders' Conference was held in March in Lansing with over 230 participants. This was a record attendance for this conference.

Financing Roundtables by TEAM SBA is designed to help entrepreneurs understand the commercial loan process. Small groups of attendees meet with small business banking officers, SBA business development specialists, and consultants from the SBTDC to discuss their financing needs and to learn the loan application process. A total of 24 roundtables with over 200 participants were held throughout Michigan in FY 2006.

Women's Economic Development Outreach

SBA partnered with National City and many organizations to conduct the 4th annual Women's Economic Development Outreach (WEDO) tour in Grand Rapids, Lansing, Manistee, Midland, and Troy. Davenport University, Classic Printers, the Michigan Small Business & Technology Development Center, the National Association of Women Business Owners, UPS, Crestmark Bank, and the CPA firm of Derderian, Kann, Seyferth, and Salucci were sponsors. Over 500 people were in attendance with a portion of the proceeds donated to the Susan G. Komen Breast Cancer Foundation. The inspirational presenters at the five WEDO events provided excellent insight about financing, marketing, and business development.

MARKETING AND OUTREACH

Highlights of the Michigan District Office marketing efforts in FY 2006 included:

Presentations: SBA staff made over 130 presentations throughout Michigan on all aspects of SBA programs and small business related subjects to better inform and educate our customers.

Publications: Michigan District Office SBA publications include the Annual Report, *Bank Notes* Newsletter, *Small Business Beat* Newsletter, and *Michigan Small Business Sourcebook*. Over 25,000 copies of the *Sourcebook* were distributed in FY 2006.

Media: In addition to writing by-line articles and distributing press releases to Michigan's print, radio, Internet, and television media, we participated in numerous interviews discussing SBA's programs and services and general small business issues. This outreach enabled us to reach thousands of business owners state-wide.

Financial Assistance

In FY 2006, the Michigan District Office set an all time record for the number of loans approved in both the 7(a) and 504 loan programs, as we guaranteed 3,702 7(a) and 504 loans worth almost \$549 million. This was an increase of 18% or 567 loans from the previous year. The average loan size was \$148,258 versus \$178,807 last year.

SBA's loan programs benefit the entire state. Small businesses in 461 cities within 80 of Michigan's 83 counties received an SBA guaranty loan. Lists of loan activity by city and county are on pages 12 and 13 respectively. While virtually all commercial banks are eligible to make SBA guaranteed loans, lenders which participated in at least one 7(a) loan during FY 2006 are listed on page 11.

To provide better, more timely information to these lenders, we have developed a special Web page at www.sba.gov/mi/mi_lenderspage.html. This site contains past issues of Bank Notes, downloadable copies of the 7(a) application forms, a recorded 7(a) Lender Training Basics module, and much more.

7(a) Program

Under section 7(a) of the Small Business Act, the SBA may guarantee loans to small businesses when financing is unavailable on reasonable terms through normal lending channels. The 7(a) program may be used by either start-ups or growing businesses to purchase fixed assets, provide working capital, and refinance debt.

These loans are guaranteed up to 85% on loans up to \$150,000 and 75% on loans greater than \$150,000. The maximum amount that SBA may guaranty under this program is \$1.5 million and the maximum loan size is \$2 million. Guarantee fees for 7(a) loans generally range from 2% to 3.5% of the guaranteed portion of the total loan.

SBA has several programs under the 7(a) umbrella to meet the needs of small businesses. These include the fast growing *SBAExpress* program, as well as *CAPLines* and *Preferred Lender* programs.

SBAExpress expedites the lending process by enabling lenders to use their own documentation and procedures to approve and service loans. The SBA may guaranty up to 50% of *SBAExpress* loans. In FY 2006, we guaranteed 2,849 of these loans, a 31% increase over the prior year. Many Michigan lenders have found the *SBAExpress* loan program to be a real asset in their effort to serve their communities.

The *CAPLines* program may be used to finance seasonal working capital needs; direct costs for manufacturing, construction, service, and supply contracts; and

operating capital by obtaining advances against existing inventory and accounts receivable. In FY 2006, we approved 24 of these loans for \$14,354,900.

The *Preferred (PLP) Lender* program expedites the lending process for commercial lenders which have extensive experience with SBA lending. PLP lenders enjoy full delegation of authority and can decide unilaterally on SBA participation for eligible business loans. PLP lenders approved 471 loans worth more than \$207 million. This was an increase of 54 loans and almost \$14 million from FY 2005.

Lenders participating in the PLP and *Express* programs are listed on page 10.

504 Program

The 504 program is delivered through *Certified Development Companies (CDCs)* to provide long-term, fixed-rate financing to growing small businesses to acquire fixed assets. CDCs are public-private organizations, usually community based, created to foster economic development within a particular region. Michigan CDCs are listed on page 10.

SBA loans approved under the 504 program must create or retain jobs. Typically, 50% of the financing comes from the bank (secured with a senior lien), 40% from an SBA guaranteed debenture (up to a maximum \$1,500,000 or up to \$4,000,000 for certain qualified projects), and 10% from the small business. As shown on page 11, the Michigan District Office approved 241 loans under the 504 program for more than \$120 million. This represented a 28% increase over last year. These loans are expected to create 2,535 new jobs.

Leslie Gierke, Acting Chief of the Lender Relations Division for the past 19 months, will be retiring in January 2007. She is a highly regarded member of our office and we wish her the best in her retirement.

Portfolio Management

As of September 30, there were 8,795 SBA business loans in Michigan with an outstanding balance of more than \$1.1 billion and a currency rate of 94.8%. This compares to 6,889 loans worth more than \$1 billion and a currency rate of 96.2% one year ago.

Since the SBA has centralized its loan servicing and liquidation activities, most of these loans are being handled in either the *Fresno Commercial Loan Service Center* or the *National Liquidation & Guaranty Purchase Center* in Herndon, Virginia. However, the Michigan District Office is still handling the liquidation of 40 loans in the 504 program. In addition, it has responsibility for about 365 disaster home loans that are in litigation.

Financial Assistance

Other Financial Assistance Programs

The SBA funds several intermediaries in Michigan to deliver both microloans and venture capital to small businesses. Available on a limited basis, the Microloan program provides loans up to \$35,000 for the purchase of machinery and equipment, furniture and fixtures, inventory, supplies, and working capital. In FY 2006, Michigan's five SBA microlenders approved 32 loans worth \$738,000. This was a \$206,000 increase over the previous year.

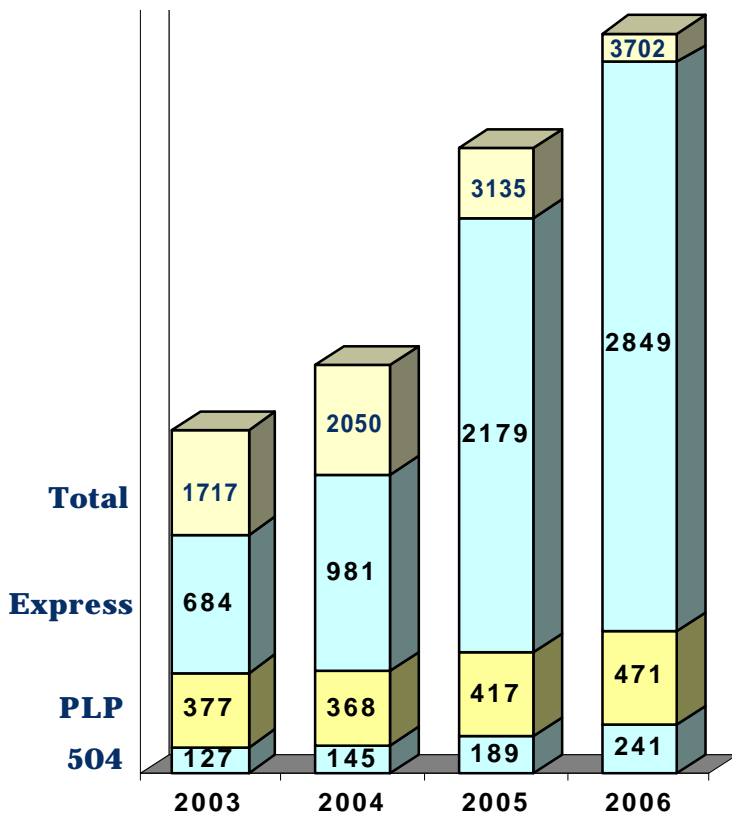
The SBA also offers financing through its Small Business Investment Companies and Specialized Small Business Investment Companies. SBICs supply equity capital, long-term loans, and management assistance to qualified businesses owners. SSBICs offer the same assistance to small businesses owned by socially and economically disadvantaged entrepreneurs.

Through its Surety Bond Program, the SBA may guaranty bid, performance, and payment bonds for

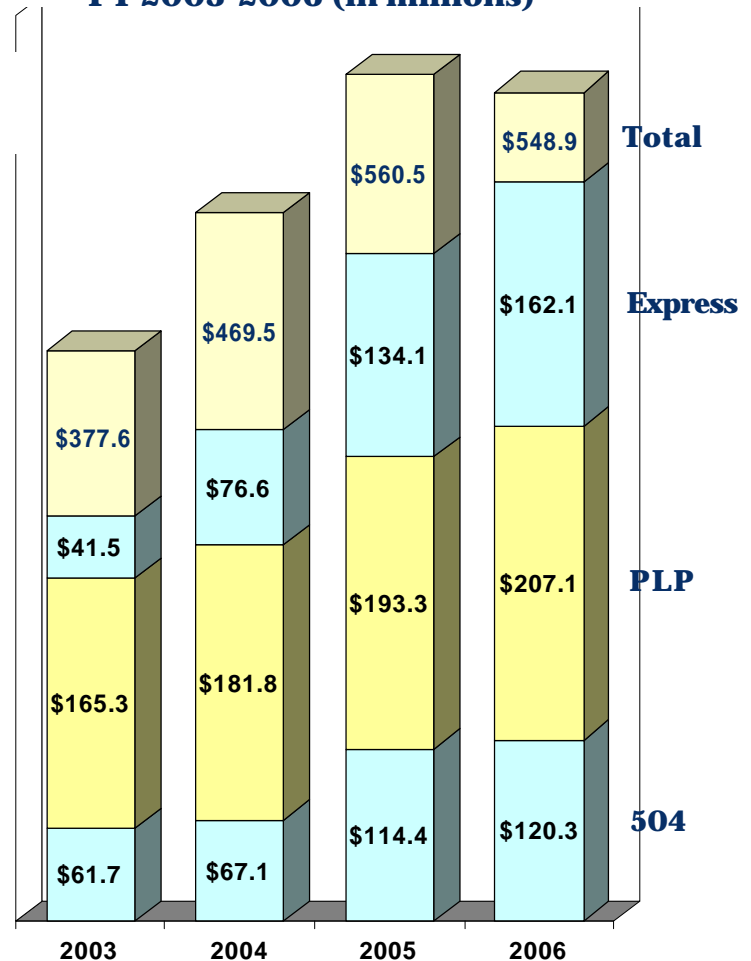
contracts up to \$2.0 million for small contractors which cannot obtain surety bonds through regular commercial channels. SBA works with surety companies across Michigan. In FY 2006, 65 bid bond guaranties worth more than \$18.2 million, and 46 final performance and payment bonds worth more than \$11.8 million, were written.

SBA is the primary source of federal funds for long-term disaster recovery assistance. Low interest loans are available to homeowners, renters, and business owners in federally declared disaster areas to replace or repair business facilities, inventory, machinery, equipment, etc. not covered by insurance. Economic injury disaster loans are also available to provide working capital to small businesses that suffered economically due to the impact of a disaster on their business activities. Fortunately, there was virtually no activity in this program in Michigan last year.

**Total Number of Loans
FY 2003-2006**



**Total Dollar Value of Loans
FY 2003-2006 (in millions)**



Financial Assistance

PREFERRED LENDERS

Ann Arbor Commerce Bank*
Banco Popular*
Bank of Auburn Hills*
Bank of Michigan
Branch Banking & Trust Company
Brighton Commerce Bank*
Business Lenders
Business Loan Express*
Capitol Bancorp
Capitol National Bank*
Celtic Bank
Chase*
CIT Small Business Lending
Citizens Bank*
Comerica Bank*
Community Shores Bank*
Community South Bank
Detroit Commerce Bank*
Fifth Third Bank*
1st Source Bank*
First Western SBLC
Grand Haven Bank*
Huntington National Bank*
Huron Community Bank*
Irwin Union Bank*
Kent Commerce Bank*
KeyBank*
LaSalle Bank*
Macomb Community Bank*
Muskegon Commerce Bank*
National City*
Newtek Small Business Finance
Oakland Commerce Bank*
Paragon Bank & Trust*
PNC Bank*
Portage Commerce Bank*
Republic Bank*
Small Business Loan Source
Stearns Bank
Temecula Valley Bank
United Bank of Michigan*
United Midwest Savings Bank
U.S. Bank*
UPS Capital Business Credit*
Wachovia SBA Lending*
Wells Fargo Bank*
Wisconsin Community Bank
Zions Bank*

** Also an SBAExpress Lender*

EXPRESS LENDERS

American Express Centurion Bank
Bank of America
Capital One
Central State Bank
Century Bank and Trust
Charter One
Chelsea State Bank

Chemical Bank
Citizens First Savings Bank
Citizens National Bank of Cheboygan
Commercial Bank
Community Financial Members FCU
Firstbank – Lakeview
First Place Bank
1st State Bank
First Tennessee Bank
Franklin Savings bank
Greenville Community Bank
Hillsdale County National Bank
Huron Community Bank
Huron Valley State Bank
Ionia County National Bank
Keystone Community Bank
Macatawa Bank
Mason State Bank
Mercantile Bank of Michigan
Michigan Schools & Government CU
New Liberty Bank
Northland Area FCU
Northwestern Bank
Old Mission Bank
Oxford Bank
Paramount Bank
Peoples State Bank
Seaway Community Bank
Sky Bank
State Bank
T & C FCU
TCF Bank
The Honor State Bank
The State Bank
The State Savings Bank
Thumb National Bank & Trust
USA CU
West Michigan Community Bank

CERTIFIED DEVELOPMENT COMPANIES

Economic Dev. Foundation-Certified

Grand Rapids (888) 330-1776

Lakeshore 504 - South Office

Holland (616) 392-9633

Lakeshore 504 - North Office

Grand Haven (616) 846-3153

Metropolitan Growth and Development Corporation

Detroit (313) 224-0820

Michigan Certified Development Corporation

Lansing (517) 886-6612

Oakland County Business Finance Corporation

Pontiac (248) 858-0879

SEM Resource Capital

Livonia (734) 464-4418

SEM Resource Capital

Grand Rapids (616) 242-5253

7(a) Loan Activity By Lender

LENDER	LOANS	AMOUNT	LENDER	LOANS	AMOUNT
1. Charter One	940	\$45,413,000	57. Chelsea State Bank	2	\$244,000
2. National City	476	\$32,429,200	58. Bank of America	2	\$70,000
3. Chase	379	\$25,406,200	59. First Tennessee Bank	2	\$35,000
4. Huntington National Bank	214	\$18,048,300	60. Branch Banking & Trust Company	1	\$2,000,000
5. Capital One	207	\$8,205,000	61. United Midwest Savings Bank	1	\$1,650,000
6. LaSalle Bank	180	\$21,163,800	62. Tri-County Bank	1	\$1,500,000
7. Fifth Third Bank	158	\$39,705,900	63. Temecula Valley Bank	1	\$1,117,900
8. Republic Bank	122	\$41,391,500	64. Range Bank	1	\$650,000
9. Capitol Bancorp	99	\$30,962,700	65. Independent Bank East Michigan	1	\$530,000
10. Wells Fargo Bank	63	\$4,933,500	66. Northland Area FCU	1	\$486,000
11. Comerica Bank	50	\$25,138,000	67. First Chatham Bank	1	\$448,000
12. KeyBank	43	\$5,300,900	68. Franklin Savings Bank	1	\$350,000
13. Citizens First Savings Bank	36	\$4,365,700	69. Hillsdale County National Bank	1	\$330,000
14. 1st Source Bank	34	\$4,110,500	70. First Independence Bank	1	\$250,000
15. Irwin Union Bank	30	\$8,869,200	71. Bank of Lenawee	1	\$238,000
16. Citizens Bank	28	\$6,338,800	72. Celtic Bank	1	\$225,000
17. Northwestern Bank	27	\$3,898,000	73. Clarkston State Bank	1	\$225,000
18. CIT Small Business Lending	25	\$15,378,800	74. Main Street Bank	1	\$210,000
19. Community Shores Bank	25	\$4,046,700	75. Citizens National Bank of Cheboygan	1	\$203,200
20. Macatawa Bank	22	\$3,323,200	76. Thumb National Bank & Trust	1	\$200,000
21. Chemical Bank	22	\$2,632,800	77. Peoples State Bank - North Dakota	1	\$175,000
22. First Place Bank	17	\$3,049,500	78. Monroe Bank & Trust	1	\$157,500
23. Zions Bank	17	\$1,976,200	79. Greenville Community Bank	1	\$150,000
24. UPS Capital Business Credit	13	\$7,800,000	80. First Western SBLC	1	\$133,000
25. Peoples State Bank	12	\$2,798,900	81. The State Savings Bank of Manistee	1	\$128,000
26. Firstbank - Lakeview	12	\$1,777,300	82. mBank	1	\$125,000
27. Century Bank & Trust	12	\$1,247,500	83. Sturgis Bank & Trust	1	\$125,000
28. Huron Community Bank	12	\$699,600	84. Eastern Michigan Bank	1	\$100,000
29. Innovative Bank	12	\$105,000	85. New Liberty Bank	1	\$80,000
30. Banco Popular	11	\$5,032,400	86. 1 st State Bank	1	\$75,000
31. Business Loan Express	9	\$3,695,000	87. State Bank	1	\$70,000
32. Wachovia SBA Lending	8	\$6,557,900	88. Sky Bank	1	\$53,000
33. United Bank of Michigan	8	\$1,559,500	89. American Express Centurion Bank	1	\$50,000
34. T & C FCU	8	\$462,000	90. Michigan Schools & Gov't CU	1	\$50,000
35. Business Lenders	7	\$5,070,000	91. TCF Bank	1	\$25,000
36. Wisconsin Community Bank	7	\$1,705,000			
37. The State Bank	7	\$1,302,800	TOTAL	3,461	\$428,508,800
38. Old Mission Bank	7	\$1,099,000			
39. Paramount Bank	7	\$1,030,000			
40. Mercantile Bank of Michigan	7	\$810,000			
41. Small Business Loan Source	5	\$2,642,000			
42. Stearns Bank	5	\$1,082,000			
43. U.S. Bank	5	\$168,000			
44. Ionia County National Bank	4	\$498,000			
45. The Honor State Bank	4	\$484,700			
46. Community South Bank	3	\$4,048,000			
47. River Valley State Bank	3	\$1,650,000			
48. PNC Bank	3	\$1,184,000			
49. Seaway Community Bank	3	\$418,800			
50. Central State Bank	3	\$72,000			
51. Newtek Small Business Finance	2	\$2,132,500			
52. The Peninsula Bank	2	\$949,000			
53. Northpointe Bank	2	\$635,000			
54. Monarch Community Bank	2	\$502,000			
55. Commercial Bank	2	\$374,900			
56. Select Bank	2	\$370,000			

504 Loan Activity by CDC

CDC	LOANS	AMOUNT
1. Michigan Certified Development Corp.	87	\$47,567,000
2. Economic Dev. Foundation-Certified	49	\$20,565,000
3. Oakland County Business Fin. Corp.	45	\$20,210,000
4. SEM Resource Capital	28	\$19,874,000
5. Lakeshore 504	28	\$9,772,000
6. Metropolitan Growth and Dev. Corp.	4	\$2,355,000
TOTAL	241	\$120,343,000

Loan Activity By City

The Michigan District Office guaranteed 7(a) and 504 loans to businesses in 461 Michigan cities. Cities with five or more loans are listed here.

CITY	LOANS	AMOUNT	CITY	LOANS	AMOUNT	CITY	LOANS	AMOUNT
1. Detroit	282	\$26,431,600	61. Garden City	15	\$1,135,000	121. Fort Gratiot	6	\$1,174,000
2. Dearborn	178	\$13,825,100	62. Northville	15	\$1,127,400	122. Swartz Creek	6	\$1,055,000
3. Grand Rapids	125	\$17,008,700	63. Charlotte	15	\$931,800	123. Saline	6	\$976,500
4. Southfield	102	\$9,799,200	64. Clarkston	14	\$4,017,300	124. Ravenna	6	\$948,000
5. Livonia	67	\$9,977,200	65. Grandville	14	\$3,439,500	125. Berkley	6	\$808,200
6. Canton	64	\$8,179,100	66. Macomb	14	\$3,180,000	126. Quincy	6	\$778,700
7. Troy	61	\$10,923,300	67. Auburn Hills	14	\$2,611,000	127. Holly	6	\$755,000
8. Traverse City	59	\$14,871,400	68. Burton	14	\$2,343,300	128. Freeland	6	\$736,500
9. Kalamazoo	56	\$11,168,400	69. Highland Park	14	\$568,500	129. Saint Johns	6	\$689,100
10. Muskegon	56	\$10,669,400	70. Rockford	13	\$3,682,000	130. Commerce Twp.	6	\$633,000
11. Sterling Heights	56	\$9,581,600	71. Romulus	13	\$2,327,500	131. Ortonville	6	\$545,000
12. Dearborn Heights	54	\$3,128,500	72. Grand Blanc	13	\$636,800	132. Harrison	6	\$531,200
13. Ann Arbor	47	\$11,269,600	73. Lake Orion	12	\$2,511,900	133. Woodhaven	6	\$522,000
14. Lansing	45	\$11,994,400	74. South Lyon	12	\$1,803,300	134. Chelsea	6	\$457,000
15. Warren	45	\$5,584,800	75. Oxford	12	\$1,396,000	135. Allegan	6	\$230,000
16. Flint	42	\$10,463,700	76. Wyandotte	12	\$1,167,700	136. Manistee	5	\$2,040,000
17. Clinton Township	40	\$5,417,100	77. Lincoln Park	12	\$915,000	137. Cadillac	5	\$1,798,000
18. Holland	39	\$8,559,300	78. Southgate	12	\$810,000	138. Byron Center	5	\$1,792,000
19. Taylor	39	\$3,868,200	79. Ferndale	12	\$493,000	139. Whitehall	5	\$1,628,200
20. Farmington Hills	38	\$5,638,100	80. East Lansing	11	\$3,822,000	140. Hastings	5	\$1,294,900
21. Jackson	36	\$6,662,100	81. Coldwater	11	\$1,907,400	141. Goodrich	5	\$1,214,300
22. Royal Oak	32	\$4,518,900	82. Highland	11	\$1,500,700	142. Oscoda	5	\$1,185,000
23. Farmington	30	\$5,313,600	83. Brownstown	11	\$561,000	143. Fowlerville	5	\$1,056,000
24. Brighton	29	\$5,505,400	84. Belleville	11	\$524,900	144. White Lake	5	\$1,034,000
25. Waterford	29	\$3,821,000	85. Midland	10	\$1,954,000	145. Kalkaska	5	\$972,000
26. Shelby Township	29	\$3,099,800	86. Hudsonville	10	\$1,778,000	146. Whitmore Lake	5	\$969,100
27. Oak Park	29	\$1,829,500	87. Eastpointe	10	\$542,500	147. Saint Clair	5	\$928,800
28. Rochester Hills	28	\$5,500,200	88. Trenton	10	\$412,000	148. Bridgman	5	\$877,600
29. West Bloomfield	28	\$1,784,800	89. Monroe	9	\$2,794,200	149. Interlochen	5	\$785,000
30. Saginaw	27	\$4,217,400	90. Davison	9	\$2,742,800	150. Romeo	5	\$770,000
31. Bloomfield Hills	27	\$1,858,200	91. Petoskey	9	\$2,251,400	151. Grayling	5	\$755,000
32. Ypsilanti	26	\$3,853,900	92. Spring Lake	9	\$1,980,600	152. Sault Ste. Marie	5	\$735,800
33. Port Huron	24	\$5,071,000	93. Paw Paw	9	\$1,640,000	153. Gladwin	5	\$715,000
34. Redford	23	\$1,697,700	94. Milan	9	\$1,189,700	154. Perry	5	\$679,000
35. Lapeer	21	\$3,962,000	95. Pinckney	9	\$1,060,800	155. Plainwell	5	\$608,800
36. Birmingham	21	\$3,071,500	96. Bingham Farms	9	\$956,000	156. Macomb Township	5	\$517,500
37. Kentwood	21	\$1,813,400	97. New Baltimore	9	\$650,000	157. Temperance	5	\$442,000
38. Battle Creek	20	\$6,950,500	98. Hazel Park	9	\$490,000	158. River Rouge	5	\$414,700
39. Rochester	20	\$4,357,400	99. Williamsburg	8	\$2,773,000	159. Mount Clemens	5	\$284,000
40. Madison Heights	20	\$3,548,700	100. Dowagiac	8	\$888,000	160. Ada	5	\$170,000
41. Saint Clair Shores	20	\$2,134,000	101. Allen Park	8	\$726,700	161. West Branch	5	\$140,000
42. Westland	19	\$2,530,700	102. New Boston	8	\$618,200			
43. Plymouth	19	\$2,089,000	103. Clawson	8	\$496,000	TOTAL	3,702	\$548,851,800
44. Novi	18	\$5,024,000	104. Webberville	8	\$350,900			
45. Pontiac	18	\$3,002,000	105. Grosse Pointe	8	\$308,000			
46. Niles	18	\$1,833,200	106. Elk Rapids	7	\$1,898,000			
47. Hamtramck	18	\$559,900	107. Saint Joseph	7	\$1,149,000			
48. Roseville	17	\$4,394,600	108. Okemos	7	\$1,034,700			
49. Walled Lake	17	\$3,088,500	109. Harrison Township	7	\$917,000			
50. Howell	17	\$2,051,000	110. Twin Lake	7	\$682,000			
51. Wayne	17	\$1,420,000	111. Zeeland	7	\$680,200			
52. Grand Haven	16	\$3,026,600	112. Chesterfield Twp.	7	\$524,900			
53. Wixom	16	\$2,731,700	113. Clio	7	\$447,400			
54. Bay City	16	\$1,659,500	114. Owosso	7	\$415,500			
55. Inkster	16	\$1,433,000	115. Riverview	7	\$389,500			
56. Fenton	15	\$4,107,500	116. Dewitt	7	\$239,400			
57. Portage	15	\$3,766,500	117. Flat Rock	6	\$2,330,000			
58. Mount Pleasant	15	\$2,463,500	118. Utica	6	\$1,868,300			
59. Fraser	15	\$1,783,500	119. Fremont	6	\$1,793,000			
60. Wyoming	15	\$1,368,000	120. Flushing	6	\$1,362,500			

Loan Activity By County

COUNTY	LOANS	AMOUNT	COUNTY	LOANS	AMOUNT
1. Wayne	981	\$92,894,600	51. Charlevoix	6	\$951,000
2. Oakland	719	\$99,796,300	52. Gladwin	6	\$865,000
3. Macomb	303	\$42,681,200	53. Crawford	6	\$818,000
4. Kent	216	\$31,559,600	54. Alpena	5	\$1,981,000
5. Genesee	129	\$25,504,200	55. Montcalm	5	\$1,505,000
6. Washtenaw	92	\$17,756,000	56. Gratiot	5	\$531,400
7. Ottawa	89	\$17,368,300	57. Cheboygan	5	\$333,200
8. Muskegon	86	\$18,057,100	58. Benzie	5	\$308,500
9. Grand Traverse	76	\$18,934,900	59. Ogemaw	5	\$140,000
10. Kalamazoo	76	\$15,851,900	60. Mecosta	4	\$1,737,000
11. Ingham	67	\$13,594,900	61. Alger	4	\$1,065,000
12. Livingston	66	\$12,328,400	62. Huron	4	\$675,000
13. St. Clair	57	\$12,099,200	63. Mackinac	4	\$595,000
14. Berrien	48	\$6,193,500	64. Hillsdale	4	\$549,000
15. Jackson	45	\$7,027,100	65. Arenac	4	\$221,000
16. Monroe	40	\$8,287,400	66. Roscommon	3	\$700,500
17. Saginaw	40	\$5,442,900	67. Alcona	3	\$700,000
18. Allegan	38	\$6,460,800	68. Menominee	2	\$1,201,000
19. Lapeer	36	\$5,222,100	69. Otsego	2	\$478,100
20. Eaton	34	\$6,070,800	70. Schoolcraft	2	\$158,000
21. Calhoun	28	\$8,101,500	71. Presque Isle	2	\$85,000
22. Bay	22	\$2,183,000	72. Houghton	2	\$80,000
23. Lenawee	21	\$4,843,800	73. Iron	2	\$70,000
24. Clinton	20	\$4,086,500	74. Ontonogan	1	\$410,000
25. Branch	18	\$2,704,100	75. Baraga	1	\$300,000
26. Shiawassee	18	\$1,587,700	76. Oscoda	1	\$250,000
27. Isabella	17	\$2,517,200	77. Luce	1	\$86,000
28. Emmet	16	\$2,678,600	78. Missaukee	1	\$50,000
29. Van Buren	15	\$2,536,800	79. Gogebic	1	\$25,000
30. Cass	15	\$1,749,000	80. Montmorency	1	\$10,000
31. Ionia	13	\$3,111,000			
32. Iosco	12	\$2,595,600	TOTAL	3,702	\$548,851,800
33. Manistee	12	\$2,431,500			
34. Tuscola	12	\$1,656,900			
35. Antrim	11	\$2,440,500			
36. Delta	10	\$2,969,000			
37. Midland	10	\$2,035,200			
38. Kalkaska	9	\$1,126,000			
39. Oceana	9	\$556,100			
40. Marquette	8	\$2,469,000			
41. Newaygo	8	\$1,868,000			
42. St. Joseph	8	\$1,838,000			
43. Sanilac	8	\$760,800			
44. Wexford	7	\$760,800			
45. Barry	7	\$1,414,900			
46. Chippewa	7	\$1,259,300			
47. Mason	7	\$1,200,700			
48. Clare	7	\$781,200			
49. Dickinson	6	\$2,100,000			
50. Leelanau	6	\$1,167,000			

Michigan District Office Services

GENERAL INFORMATION

SBA's *Michigan Small Business Resource Guide*: provides specific information on all of SBA's programs and services, including every location for all of our resource partners. It is available by calling (313) 226-6075, by e-mailing: michigan@sba.gov, or by visiting www.sba.gov/mi.

TRAINING

Lender Training: SBA offers training for lenders on SBA programs and services. This includes our 7(a) Lender Training Basics via an online recorded module which is available on the Michigan District Office's Lender's Web page at www.sba.gov/mi/mi_lenderspage.html. This site also contains past and current issues of Bank Notes, downloadable copies of the 7(a) application forms, links to SBA's Electronic Lending Web site, and more. Call (313) 226-6075 x221 for more information. Specialized training is also available on the Export Working Capital Program and International Trade Loan Program. Please call (313) 226-3670 for information.

Small Business Loan Workshop: This loan information seminar is held quarterly in Detroit metro area and periodically in other cities across the state. Topics include elements of a winning loan proposal, lending from a banker's perspective, and SBA's loan programs. Call (313) 226-6075 x221 for more information.

8(a), SDB, and HUBZone Orientation: These orientations are held the 1st Wednesday of each month at the McNamara Federal Building in Detroit. Individuals are provided with an overview of these programs and an application packet. Please call (313) 226-6075 x253 for more information.

Online Classroom: Through public-private partnerships, SBA offers a variety of online courses at www.sba.gov/services/training/index.html. Topics include business plans, financing issues, government contracting, and e-commerce.

SPEAKERS

SBA staff are available to speak to your organization on a variety of topics relating to small business. Call (313) 226-6075 x221 for information.

EXHIBITS

SBA is available to exhibit at trade shows, business expos, or any other function. Please call (313) 226-6075 x221 for more information.

NEWSLETTERS

Small Business Beat: This newsletter provides up-to-date information on SBA, including events, seminars, resources, and program updates. Visit <http://web.sba.gov/list/> and click on Michigan Newsletter to subscribe.

Bank Notes: This newsletter keeps lenders apprised of upcoming events and new policies and regulations regarding SBA's loan programs. Visit <http://web.sba.gov/list/> and click on Michigan Bank Notes Newsletter to subscribe.

INTERNET

SBA Web Page: The SBA has an excellent Web site which includes detailed information on our programs and services, links to other small business resources, and a small business classroom. SBA's home page is www.sba.gov. The Michigan District Office home page is www.sba.gov/mi.

Online Women's Business Center: This is an excellent site for all entrepreneurs with practical advice, tips and general information on a variety of topics including, marketing, management, finance, and technology. Visit it at www.onlinewbc.gov.

Michigan Small Business and Technology Development Centers: Small business owners will want to bookmark this resource which offers a readiness assessment, business tools, calendar of events, on-line counseling and much more at www.misbtdc.org.

SCORE: The National SCORE organization provides information and e-mail counseling at www.score.org. The Michigan chapters host a Web page at www.scoremichigan.org.

Business.gov: This home page is the One-Stop Electronic link to government for business owners. It provides links for all information and services the federal government offers to help businesses grow and prosper. It also offers state specific links to information on how to incorporate, pay taxes, hire and fire employees, and other legal questions. Visit it at www.business.gov.

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Information Technology Specialist, June Foyt	ext 274
Administrative Officer, April Holloway	ext 275

Lender Relations Division

Lender Relations Specialist, Kenneth Kolasa	ext 228
Loan Processing Assistant, Linda Kristoff	ext 278
Loan Servicing Assistant, Bill Rounisto	ext 235

Minority Enterprise Development Division

Assistant District Director, Conrad Valle	ext 254
Business Development Specialist, Tom Vargo	ext 253

District Counsel

District Counsel, Rick Pasiak	ext 269
Assistant District Counsel, Mark Sophiea	ext 272

Marketing & Outreach Division

Assistant District Director, Allen Cook	ext 221
Business Development Specialist, Billie Anderson	ext 222
Business Development Specialist, Catherine Gase	ext 223
Business Development Specialist, Annette Hall	ext 225
Office Automation Clerk, Maggie Halley	ext 289

Special Interest

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Procurement Center, Gov't Contracting Specialist, Pam Thompson	(586) 574-5513
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Veterans Affairs, Allen Cook	ext 221
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Women's Business Ownership, Catherine Gase	ext 223
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Media Relations, Constance Logan	ext 279
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Public Affairs Specialist, Annette Hall	ext 225
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How Many Jobs Did Small Businesses Create in Michigan?



As the chart below shows, Michigan businesses with less than 100 employees in 2002 had a net *increase* of 52,318 in their employment in one year. On the other hand, businesses with more than 100 employees had a net *decrease* of 56,653, and almost all of this number came from companies that had had 500 or more employees in 2002. From 1991 to 2003, the cohort of businesses with 1-4 employees has been the only one that has added new jobs each and every year.

Job Creation By Firm Size 2002-2003

Number of Employees in 2002	Jobs these Firms Created by 2003
1-4 employees	32,587
5-9 employees	7,690
10-19 employees	6,630
20-99 employees	5,411
less than 100 employees	52,318
100-499 employees	(712)
500+ employees	<u>(55,941)</u>
Total net new jobs	(4,335)

Source: SBA Office of Advocacy

This publication was created by the Michigan District Office of the U.S. Small Business Administration. For a copy of this report in .PDF format, please call (313) 226-6075 x225 or by e-mail annette.hall@sba.gov.
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